
HOUSE BILL 1587

State of Washington

57th Legislature

2001 Regular Session

By Representatives Veloria, Dunn, Kessler, Kenney, Conway, Ogden, O'Brien and Santos; by request of Governor Locke

Read first time 01/30/2001. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the linked deposit program; amending RCW
2 43.86A.060 and 43.63A.690; adding a new section to chapter 39.19 RCW;
3 and repealing RCW 43.131.381 and 43.131.382.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.86A.060 and 1993 c 512 s 30 are each amended to
6 read as follows:

7 (1) The state treasurer shall establish a linked deposit program
8 for investment of deposits in qualified public depositories. As a
9 condition of participating in the program, qualified public
10 depositories must make qualifying loans as provided in this section.
11 The state treasurer may purchase a certificate of deposit that is equal
12 to the amount of the qualifying loan made by the qualified public
13 depository or may purchase a certificate of deposit that is equal to
14 the aggregate amount of two or more qualifying loans made by one or
15 more qualified public depositories.

16 (2) Qualifying loans made under this section are those (~~that~~):

17 (a) (~~Are loans that have~~) Having terms that do not exceed ten
18 years;

1 (b) ~~((Are))~~ Where the total amount of the loan or loans per
2 minority or women's business enterprises does not exceed one million
3 dollars;

4 (c) Made to a minority or women's business enterprise that has
5 received state certification under chapter 39.19 RCW;

6 ~~((c) Are made to minority or women's business enterprises that are~~
7 ~~considered a small business as defined in RCW 43.31.025;~~

8 ~~(d) Are made))~~ (d) Where the interest rate on the loan to the
9 minority or women's business enterprise does not exceed ((an interest
10 rate that is two hundred basis points below the interest rate)) the
11 qualified public ((depository would charge for a loan for a similar
12 purpose and a similar term)) depository's prime interest rate; and

13 ~~((e) Are made))~~ (e) Where the points or fees charged at loan
14 closing do not exceed one percent of the loan amount.

15 (3) In setting interest rates of time certificate of deposits, the
16 state treasurer shall offer rates so that a two hundred basis point
17 preference will be given to the qualified public depository.

18 (4) Upon notification by the state treasurer that a minority or
19 women's business enterprise is no longer certified under chapter 39.19
20 RCW, the qualified public depository shall reduce the amount of
21 qualifying loans by the outstanding balance of the loan made under this
22 section to the minority or women's business enterprise.

23 (5) As used in this section, "prime interest rate" means the
24 interest rate that a qualified public depository charges to its lowest
25 credit risk commercial customer.

26 NEW SECTION. Sec. 2. A new section is added to chapter 39.19 RCW
27 to read as follows:

28 (1) The office shall, in consultation with the state treasurer and
29 the department of community, trade, and economic development, compile
30 information on minority and women's business enterprises that have
31 received financial assistance through a qualified public depository
32 under the provisions of RCW 43.86A.060. The information shall include,
33 but is not limited to:

34 (a) Name of the qualified public depository;

35 (b) Geographic location of the minority or women's business
36 enterprise;

37 (c) Name of the minority or women's business enterprise;

1 (d) Date of last certification by the office and certification
2 number;

3 (e) Type of business;

4 (f) Amount and term of the loan to the minority or women's business
5 enterprise; and

6 (g) Other information the office deems necessary for the
7 implementation of this section.

8 (2) The office shall notify the state treasurer of minority or
9 women's business enterprises that are no longer certified under the
10 provisions of this chapter. The written notification shall contain
11 information regarding the reason for the decertification and
12 information on financing provided to the minority or women's business
13 enterprise under RCW 43.86A.060.

14 **Sec. 3.** RCW 43.63A.690 and 1993 c 512 s 31 are each amended to
15 read as follows:

16 (1) The department shall provide technical assistance and loan
17 packaging services that enable minority and women-owned business
18 enterprises to obtain financing under the linked deposit program
19 created under RCW 43.86A.060.

20 (2) The department shall, in consultation with the state treasurer
21 and office of minority and women's business enterprise, monitor the
22 performance of loans made to minority and women-owned business
23 enterprises under RCW 43.86A.060.

24 (3) The department, in consultation with the office of minority and
25 women's business enterprise, shall develop indicators to measure the
26 performance of the linked deposit program in the areas of job creation
27 or retention and providing access to capital to minority or women's
28 business enterprises.

29 NEW SECTION. **Sec. 4.** The following acts or parts of acts are each
30 repealed:

31 (1) RCW 43.131.381 (Linked deposit program--Termination) and 1994
32 c 126 s 2 & 1993 c 512 s 35; and

33 (2) RCW 43.131.382 (Linked deposit program--Repeal) and 1994 c 126
34 s 3 & 1993 c 512 s 36.

--- END ---